

ASSEMBLY BILL

No. 2700

Introduced by Assembly Member Salas

February 19, 2016

An act to amend Section 454.51 of the Public Utilities Code, relating to electricity.

LEGISLATIVE COUNSEL'S DIGEST

AB 2700, as introduced, Salas. Electrical corporation: procurement plans.

Under existing law, the Public Utilities Commission has regulatory authority over public utilities, including electrical corporations. The Public Utilities Act requires the commission to review and accept, modify, or reject a procurement plan for each electrical corporation in accordance with specified elements, incentive mechanisms, and objectives. The act requires the commission to (1) identify a diverse and balanced portfolio of resources needed to ensure a reliable electricity supply that provides optimal integration of renewable energy resources in a cost-effective manner, (2) direct each electrical corporation to include, as part of its proposed procurement plan, a strategy for procuring best-fit and least-cost resources to satisfy the portfolio needs identified by the commission, (3) ensure that the net costs of any incremental renewable energy integration resources procured by an electrical corporation to satisfy the need identified by the commission are allocated on a fully nonbypassable basis, and (4) permit community choice aggregators to submit proposals for satisfying their portion of the renewable energy resource integration needs identified by the commission.

This bill would make nonsubstantive revisions to the above-described requirements of the commission relative to integration of renewable energy resources to ensure a reliable electricity supply through the procurement plan process.

Vote: majority. Appropriation: no. Fiscal committee: no.
State-mandated local program: no.

The people of the State of California do enact as follows:

1 SECTION 1. Section 454.51 of the Public Utilities Code is
2 amended to read:
3 454.51. The commission shall do all of the following:
4 (a) Identify a diverse and balanced portfolio of resources needed
5 to ensure a reliable electricity supply that provides optimal
6 integration of renewable energy *resources* in a cost-effective
7 manner. The portfolio shall rely upon zero carbon-emitting
8 resources to the maximum extent reasonable and be designed to
9 achieve any statewide greenhouse gas emissions limit established
10 pursuant to the California Global Warming Solutions Act of 2006
11 (Division 25.5 (commencing with Section 38500) of the Health
12 and Safety Code) or any successor legislation.
13 (b) Direct each electrical corporation to include, as part of its
14 proposed procurement plan, a strategy for procuring best-fit and
15 least-cost resources to satisfy the portfolio needs identified by the
16 commission pursuant to subdivision (a).
17 (c) Ensure that the net costs of any incremental renewable energy
18 integration resources procured by an electrical corporation to satisfy
19 the need identified in subdivision (a) are allocated on a fully
20 nonbypassable basis consistent with the treatment of costs
21 identified in paragraph (2) of subdivision (c) of Section 365.1.
22 (d) Permit community choice aggregators to submit proposals
23 for satisfying their portion of the renewable *energy resource*
24 integration need identified in subdivision (a). If the commission
25 finds this need is best met through long-term procurement
26 commitments for resources, community choice aggregators shall
27 also be required to make long-term commitments for resources.
28 The commission shall approve proposals pursuant to this
29 subdivision if it finds all of the following:

1 (1) The resources proposed by a community choice aggregator
2 will provide equivalent integration of renewable ~~energy~~; *energy*
3 *resources*.

4 (2) The resources proposed by a community choice aggregator
5 will promote the efficient achievement of state energy policy
6 objectives, including reductions in *emissions of* greenhouse ~~gas~~
7 ~~emissions~~; *gases*.

8 (3) Bundled customers of an electrical corporation will be
9 indifferent from the approval of the community choice aggregator
10 proposals.

11 (4) All costs resulting from nonperformance will be borne by
12 the electrical corporation or community choice aggregator
13 responsible for them.